

Company Registration No. 04252539 (England and Wales)

ROTAMEC LIMITED

**ANNUAL REPORT AND
UNAUDITED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 OCTOBER 2019

PAGES FOR FILING WITH REGISTRAR

ROTAMEC LIMITED

CONTENTS

	Page
Statement of financial position	1 - 2
Notes to the financial statements	3 - 12

ROTAMEC LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Intangible assets	3		144,667		-
Tangible assets	4		639,611		562,605
Current assets					
Stocks			415,157		412,759
Debtors	5		1,426,672		1,207,915
Cash at bank and in hand			325,669		290,039
			<u>2,167,498</u>		<u>1,910,713</u>
Creditors: amounts falling due within one year	6		<u>(1,877,969)</u>		<u>(1,484,574)</u>
Net current assets			<u>289,529</u>		<u>426,139</u>
Total assets less current liabilities			<u>1,073,807</u>		<u>988,744</u>
Creditors: amounts falling due after more than one year	7		(230,819)		(80,230)
Provisions for liabilities	8		(81,571)		(118,492)
Net assets			<u><u>761,417</u></u>		<u><u>790,022</u></u>
Capital and reserves					
Called up share capital	9		100		100
Capital redemption reserve			300		300
Profit and loss reserves			<u>761,017</u>		<u>789,622</u>
Total equity			<u><u>761,417</u></u>		<u><u>790,022</u></u>

The director of the company has elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 October 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

ROTAMEC LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 OCTOBER 2019

The financial statements were approved and signed by the director and authorised for issue on 1 April 2020

Mr S Brooks

Director

Company Registration No. 04252539

ROTAMEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2019

1 Accounting policies

Company information

Rotamec Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 4 Labourham Farm, Draycott Road, Cheddar, Somerset, BS27 3RP.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

ROTAMEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

1 Accounting policies

(Continued)

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Straight line over the term of the lease
Plant and equipment	20% reducing balance
Fixtures and fittings	20% reducing balance
Computers	25% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

ROTAMEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

ROTAMEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

ROTAMEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

1 Accounting policies

(Continued)

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 50 (2018 - 46).

ROTAMEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 November 2018	8,000
Additions	155,000
	<hr/>
At 31 October 2019	163,000
	<hr/>
Amortisation and impairment	
At 1 November 2018	8,000
Amortisation charged for the year	10,333
	<hr/>
At 31 October 2019	18,333
	<hr/>
Carrying amount	
At 31 October 2019	144,667
	<hr/> <hr/>
At 31 October 2018	-
	<hr/> <hr/>

ROTAMEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

4	Tangible fixed assets	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
		£	£	£	£	£	£
	Cost or valuation						
	At 1 November 2018	289,807	415,905	32,965	121,100	316,837	1,176,614
	Additions	22,402	41,709	-	1,748	115,078	180,937
	Disposals	(47,007)	-	-	-	-	(47,007)
	At 31 October 2019	265,202	457,614	32,965	122,848	431,915	1,310,544
	Depreciation and impairment						
	At 1 November 2018	197,464	111,675	23,617	90,228	191,025	614,009
	Depreciation changed in the year	12,189	32,641	1,870	7,754	49,477	103,931
	Eliminated in respect of disposals	(47,007)	-	-	-	-	(47,007)
	At 31 October 2019	162,646	144,316	25,487	97,982	240,502	670,933
	Carrying amount						
	At 31 October 2019	102,556	313,298	7,478	24,866	191,413	639,611
	At 31 October 2018	92,343	304,230	9,348	30,872	125,812	562,605

ROTAMEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

4 Tangible fixed assets

(Continued)

As at 31 October 2018 the Directors revalued the fixed assets to provide a more accurate view of the company's asset value. As a result there is a write back of depreciation of £178,603. In accordance with the provisions of FRS 102 the revalued figure will be depreciated over the remaining useful economic life of each asset and a consistent valuation has been adopted for each category of asset revalued.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2019 £	2018 £
Cost	415,905	415,905
Accumulated depreciation	(315,404)	(290,278)
Carrying value	<u>100,501</u>	<u>125,627</u>

5 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	1,092,949	846,460
Other debtors	313,502	342,396
Prepayments and accrued income	20,221	19,059
	<u>1,426,672</u>	<u>1,207,915</u>

6 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Bank loans and overdrafts		24,880	30,456
Obligations under finance leases		47,847	34,096
Trade creditors		553,073	450,001
Other taxation and social security		216,026	188,857
Other creditors		1,015,127	730,208
Accruals and deferred income		21,016	50,956
		<u>1,877,969</u>	<u>1,484,574</u>

The bank loan is secured by a debenture over the company's assets.

ROTAMEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

7 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Bank loans and overdrafts		46,766	13,848
Obligations under finance leases		114,053	66,382
Other creditors		70,000	-
		<u>230,819</u>	<u>80,230</u>

8 Provisions for liabilities

		2019 £	2018 £
Other provisions		-	40,000
Deferred tax liabilities		81,571	78,492
		<u>81,571</u>	<u>118,492</u>

9 Called up share capital

		2019 £	2018 £
Ordinary share capital			
Issued and fully paid			
100 Ordinary shares of £1 each		100	100
		<u>100</u>	<u>100</u>

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2019 £	2018 £
	21,083	81,965
	<u>21,083</u>	<u>81,965</u>

ROTAMEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

11 Directors' transactions

Description	% Rate	Opening balance £	Amounts repaid £	Closing balance £
Mr S Brooks	-	238,954	(20,529)	218,425
		<u>238,954</u>	<u>(20,529)</u>	<u>218,425</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.